The White House
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# FACT SHEET: New Steps to Advance Equal Pay on the Seventh Anniversary of the Lilly Ledbetter Fair Pay Act

"It is fitting that with the very first bill I sign...we are upholding one of this nation's first principles: that we are all created equal and each deserve a chance to pursue our own version of happiness." – President Barack Obama, January 29, 2009

Seven years ago today, President Obama signed into law his first piece of legislation as President, the Lilly Ledbetter Fair Pay Act. Policies that ensure fair pay for all Americans and that help businesses to attract the strongest talent can not only narrow the pay gap, but also boost productivity and benefit our economy. Yet today, the median wage of a woman working full-time year-round in the United States is about \$39,600—only 79 percent of a man's median earnings of \$50,400. While the gap has narrowed slightly over the past two years, there is much more work to be done to ensure fair pay for all.

Today, the President is highlighting several additional actions that his Administration is taking to further advance equal pay for all workers and to further empower working families:

- **EEOC Action on Pay Data Collection:** The Equal Employment Opportunity Commission (EEOC), in partnership with the Department of Labor, is publishing a proposal to annually collect summary pay data by gender, race, and ethnicity from businesses with 100 or more employees. The proposal would cover over 63 million employees. This step stemming from a recommendation of the President's Equal Pay Task Force and a Presidential Memorandum issued in April 2014 will help focus public enforcement of our equal pay laws and provide better insight into discriminatory pay practices across industries and occupations. It expands on and replaces an earlier plan by the Department of Labor to collect similar information from federal contractors.
- Call to action: The President is renewing his call to Congress to take up and pass the Paycheck
  Fairness Act, commonsense legislation that would give women additional tools to fight pay
  discrimination. States are increasingly taking action to fight pay discrimination, such as California and
  New York which passed equal pay laws last year and a number of states that will see legislation

introduced this year. The President urges states—and employers—to take action to advance pay equality.

- White House Report: The Council of Economic Advisers is releasing an issue brief, "The Gender Pay Gap on the Anniversary of the Lilly Ledbetter Fair Pay Act," that explores the state of the gender wage gap, the factors that influence it, and policies put forward by this Administration that can help address it. The brief highlights that the U.S. gender wage gap is now 2.5 percentage points larger than the average for industrialized countries. It also points to significant progress made since 2000 by the United Kingdom to reduce their pay gap by almost 9 percentage points and by Japan, Belgium, Ireland, and Denmark to reduce each of theirs by around 7 percentage points.
- 2016 White House Summit: The White House will host a Summit on "The United State of Women" on May 23rd together with the Department of State, the Department of Labor, the Aspen Institute, and Civic Nation. The summit, which comes nearly two years after the first-ever White House Summit on Working Families, will create an opportunity to mark the progress made on behalf of women and girls domestically and internationally over the course of this Administration and to discuss solutions to the challenges they still face. The Summit is being held with additional cooperation from Goldman Sachs 10,000 Women, the Tory Burch Foundation and the Ford Foundation.

## **BACKGROUND**

The Lilly Ledbetter Fair Pay Act, named after a woman who discovered her employer was paying her less than men doing the same job, has made it easier for working Americans to effectively challenge illegal unequal pay. Ledbetter took her pay discrimination complaint all the way to the Supreme Court, which ruled in 2007 that claims like hers had to be filed within 180 days of an employer's decision to pay a worker less—even if she did not learn about the unfair pay until years after the discrimination began. To make sure that people can effectively challenge unequal pay, the law signed by President Obama shortly after taking office amended the Civil Rights Act of 1964 so that unfair pay complaints can be filed within 180 days of a discriminatory paycheck—and that 180 days resets after every such paycheck is issued.

Since his first day in office, President Obama has worked to create more equality in the workplace through a number of steps. In April 2014, to celebrate Equal Pay Day, he signed two executive actions to recognize the full equality of women and increase equity for all in the workplace. The first was an Executive Order prohibiting federal contractors from discriminating against employees who discuss their compensation. The second was a Presidential Memorandum instructing the Secretary of Labor to propose a new regulation requiring federal contractors to submit summary data on compensation paid to their employees, including by race and gender.

#### **EXPANDING THE COLLECTION OF PAY DATA**

Today, the EEOC is proposing revisions to its longstanding EEO-1 form to require all employers with 100 or more employees, not just contractors, who currently submit the EEO-1 to submit additional summary data on wages paid to their employees, including by gender, race, and ethnicity. As currently proposed, this information would be reported across 10 job categories and by 12 pay bands, and will not require the reporting of specific salaries of each individual employee. The proposal is broader than one previously published by the Department of Labor, which would have applied only to federal contractors.

This new policy lays important groundwork for progress toward achieving equal pay, as it will encourage and facilitate greater voluntary compliance by employers with existing federal pay laws – such as by evaluating how they are currently paying their employees. It will also assist the EEOC, and in the case of contractors the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP), in better focusing investigations on employers that are unlawfully shortchanging workers based on their gender, race, or ethnicity. In addition to expanding the scope of the data collection, the new approach will utilize an existing data collection mechanism familiar to most businesses, as many commenters had proposed. In so doing, the proposed revisions have the potential to lower the compliance burden on businesses and the implementation costs to government. Under the proposal, employers would first submit pay data as of the September 30, 2017 EEO-1 filing deadline.

Today's publication of a proposed revision to the EEO-1 form comes after the EEOC approved this action by a vote of the Commission, and it will follow the normal procedures and public comment process required under the Paperwork Reduction Act before it can be implemented. Anyone who wants to comment on the proposal will have 60 days after publication in the Federal Register to do so, with additional information on the EEOC's website. The EEOC is an independent government agency established in 1965 to give life to Title VII of the Civil Rights Act; today it enforces federal laws prohibiting employment discrimination based on race, color, religion, sex, national origin, age, disability, and genetic information.

## WHITE HOUSE SUMMIT: THE UNITED STATE OF WOMEN

The White House Council on Women and Girls, together with the Department of State, the Department of Labor, the Aspen Institute and Civic Nation, is announcing The White House Summit on the United State of Women, with the theme "Today, we change tomorrow" which will take place at the Walter E. Washington Convention Center in Washington, DC on May 23, 2016. From the launch of the Let Girls Learn initiative to help adolescent girls worldwide attend school, to nationwide efforts to prevent campus sexual assault through the "It's on Us" campaign, to policies and programs to help workplaces better support working families, advancing equality for all women and girls has been at the forefront of this President's agenda.

This Summit will be a moment to mark the significant progress we made on behalf of women and girls both domestically and internationally over the course of the Administration, and will also offer an opportunity to discuss solutions to the challenges they still face. The White House Summit on the United State of Women will bring together a diverse group of business leaders, academics, activists, nonprofit leaders, elected officials and others and will focus in on six key areas that impact women and girls: (1) Educational Opportunity, (2) Health and Wellness, (3) Economic Prosperity, (4) Violence Against Women, (5) Civic Engagement, Leadership and Visibility, and (6) Entrepreneurship and Innovation.

Together with our co-hosts, we seek to address these critical issues, and bring together people from all backgrounds to learn from each other. The Summit is being held with additional cooperation from Goldman Sachs 10,000 Women, the Tory Burch Foundation and the Ford Foundation. To learn more about The United State of Women, please visit <a href="http://www.theunitedstateofwomen.org">http://www.theunitedstateofwomen.org</a>.

#### **BUILDING ON STEPS TO HELP WORKING FAMILIES**

Since taking office, President Obama has taken a number of actions to combat the pay gap, as well as other issues that affect women in the workforce, including:

- Signing his first piece of legislation as President, the Lilly Ledbetter Fair Pair Act, in January 2009 making it easier for employees to challenge unfair pay practices.
- Creating the National Equal Pay Task Force in January 2010 to implement his pledge to crack down on violations of equal pay laws, bringing together the Equal Employment Opportunity Commission, the Department of Justice, the Department of Labor, and the Office of Personnel Management. Since the creation of the Equal Pay Task Force in 2010, the EEOC has received tens of thousands of charges of pay discrimination, and through enforcement efforts, the EEOC has obtained over \$85 million in monetary relief for victims of sex-based wage discrimination. The Task Force has issued reports on its progress, including Fighting for Equal Pay in the Workforce, Keeping America's Women Moving Forward, and Fifty Years After the Equal Pay Act.
- Calling on Congress to pass the Paycheck Fairness Act, commonsense legislation that would strengthen
  the Equal Pay Act of 1963 by closing loopholes in the defenses for equal pay violations, providing
  stronger remedies, and expanding protections against discrimination for employees who share or inquire
  about information about their compensation at work.
- Signing a Presidential Memorandum in May 2013 directing the Office of Personnel Management to
  develop a government-wide strategy to address the gender pay gap in the federal workforce, leading to a
  report in April 2014 and new guidance in July 2015—which cautioned against required reliance on a
  candidate's existing salary to set pay, as it can potentially adversely affect women who may have taken
  time off from their careers or propagate gaps due to discriminatory pay practices by previous employers.

- Issuing an Executive Order in April 2014 and publishing a Department of Labor rule in September 2015
  prohibiting federal contractors from discriminating against employees who discuss or inquire about their
  compensation.
- Hosting the first-ever White House Summit on Working Families in June 2014, highlighting the issues that
  women and families face, setting the agenda for a 21st century workplace, and announcing of a number
  of steps to help working families thrive.
- Signing a Presidential Memorandum in January 2015 directing federal agencies to advance six weeks of
  paid sick leave to federal employees with new children, calling on Congress to grant another six weeks of
  paid leave for federal employees, and calling on Congress to pass legislation that gives all American
  families access to paid family and medical leave.
- Issuing an Executive Order in September 2015 requiring federal contractors to provide employees
  working on federal contracts up to seven paid sick days each year—and urging Congress, states, cities,
  and other businesses to do the same.
- Publishing a proposed Department of Labor rule in June 2015 updating outdated overtime regulations, which, if finalized, would expand overtime pay protections for nearly 5 million Americans, promoting higher take home pay, and allowing workers to better balance their work and family obligations.
- Issuing an Executive Order in February 2014 requiring federal contractors to raise their minimum wage to \$10.10 an hour and lift the tipped minimum wage (which disproportionately impacts women)—and urging Congress, states, cities, and businesses to do the same.
- Issuing an Executive Order in July 2014 and publishing a Department of Labor rule in December 2014 prohibiting federal contractors from discriminating in employment on the basis of sexual orientation or gender identity.
- Directing the Office of Personnel Management and federal agencies to enhance workplace flexibility for federal employees to the maximum extent practicable, including enshrining a right to request flexible work arrangements.
- Calling on Congress to pass the Pregnant Workers Fairness Act, which would require employers to make
  reasonable accommodations to workers who have limitations from pregnancy, childbirth, or related
  medical conditions (unless it would impose an undue hardship on the employer). The legislation would
  also prohibit employers from forcing pregnant employees to take paid or unpaid leave if a reasonable
  accommodation would allow them to work.
- Publishing a proposed Department of Labor rule that, if finalized, would update its sex discrimination
  guidelines for federal contractors for the first time since 1978, to align with current law and address
  barriers to equal opportunity and pay, such as pay discrimination, sexual harassment, hostile work
  environments, a lack of workplace accommodations for pregnant women, and gender identity and family
  caregiving discrimination.

- Increasing investments to expand access to high-quality early care and education, including efforts under the Race to the Top-Early Learning Challenge program, Preschool Development Grants, Head Start and Early Head Start, and a landmark proposal that helps all eligible working families with young children afford highquality child care.
- Expanding access for women to higher-paying jobs through a proposed rule updating equal employment opportunity requirements in registered apprenticeships and through a Mega-Construction Projects (MCP) Initiative at the Department of Labor.

Additionally, the President's Council of Economic Advisers has continued to spotlight the pay gap and other challenges women face in the workforce as well as policy solutions proposed by the Administration to address these persistent challenges. Those materials include:

- The Economics of Paid and Unpaid Leave
- Nine Facts about American Families and Work
- The Economic Case for Raising the Minimum Wage